



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

0008

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Governor

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Division Director

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801-538-5340  
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August 1, 2001

CERTIFIED RETURN RECEIPT  
7000 0520 0021 7582 9347

George Finnegan  
Resource Design Solutions  
P.O. Box 1178  
Riverton, Utah 84065

Re: Timeframe Extended for Receipt of Transitional Surety, Resource Design Solutions, Inc.  
(RDS), RDS 502, M/023/067, Juab County, Utah

Dear Mr. Finnegan:

On May 8, 2001, the Division sent RDS a Notice of Non-Compliance and a Directive to Cease Mining Operations on the RDS 502 project, because they had exceeded the threshold of their approved small mining permit. Items were outlined to mitigate the situation, which have since been addressed, with the exception of posting the \$33,250 *Transitional Surety* with the Division within 30 days. The timeframe to submit this surety was extended to July 14, 2001, in order to coincide with the Bureau of Land Management's May 10<sup>th</sup>, Non-Compliance Order.

On July 25, 2001, the BLM subsequently changed this July deadline to August 20<sup>th</sup>, based on a Revised Surface Management Non-Compliance Order. *The Division will also extend the timeframe for filing the \$33,250 Transitional Surety to coincide with the BLM's August 20, 2001 deadline.*

If you have any questions in this regard, please call me at (801) 538-5286, or Tom Munson at (801) 538-5321.

Sincerely,

D. Wayne Hedberg  
Permit Supervisor  
Minerals Reclamation Program

jb  
cc: Mary Ann Wright,  
Rex Rowley, BLM  
Kurt Seel, OGM Assistant Attorney General  
o:\noncompliance\s23-67\noncom2.doc

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**Chronology**  
**Resource Design Solutions**  
**RDS 502 Mine**  
**M/023/067**

July 17, 2001

March 2, 2000	Two mining notices received. Assigned file #S/023/067 for RDS 61 & 62 Mine and file #S/023/067 for RDS 502 Mine.
March 6, 2000	BLM notice received.
March 9, 2000	Letter sent to Kiran Bhayani of Division of Water Quality (DWQ) notifying them of projects.
March 14, 2000	Small Mining Notice received.
March 14, 2000	Fee payment received.
March 15, 2000	BLM acceptance letter received.
March 15, 2000	DOGM acceptance letter sent.
March 16, 2000	Received DWQ letter that these are dry operations and no permit is required by their office.
May 1, 2000	April 28, 2000 Amendment to Plan received from the BLM.
May 11, 2000	Acceptance of amendment sent by DOGM.
August 30, 2000	Delinquent permit fee letter sent.
September 1, 2000	Fee payment received.
December 8, 2000	BLM letter to RDS identifying 6.6 acres of disturbance, reclamation to occur by December 31, 2000.
December 8, 2000	DOGM letter identifying operations exceeding 5.0 acres identifying the following requirements: <ol style="list-style-type: none"><li>1. Reclaim to five acres by January 10<sup>th</sup>.</li><li>2. Post a transitional surety within 30 days for \$25,000 and,</li><li>3. File a complete and technically adequate LMO.</li></ol>
December 19, 2000	Annual report request for year 2000.

Chronology  
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January 10, 2001	Joint site inspection performed by BLM and DOGM. No reclamation has been done.
January 24, 2001	Extension granted to extend the deadline to reclaim to February 16, 2001.
February 20, 2001	Phone call from Joe Dunlop stating reclamation is done.
February 27, 2001	Second request for year 2000 Annual Report.
March 7, 2001	Memo regarding BLM and DOGM inspection. No reclamation completed other than a feeble attempt with a bobcat. Gave Joe Dunlop another extension to March 9, 2001.
March 13, 2001	Documentation of phone calls: March 7, 2001 phone call from Joe Dunlop stating reclamation done. March 12, 2001 called Mr. Dunlop left a voice message about lack of work. Mr. Dunlop returned the phone call and requested until March 25, 2001 to complete work.
March 21, 2001	Joint site inspection performed by BLM and DOGM to discuss what we should do. Work has not been done. It was decided that we would send RDS a non-compliance letter. During this inspection it was determined that the BLM had been onsite 11 times since this project had started in March of 2000.
May 8, 2001	Notice of Non-Compliance and Directive to cease mining was issued to RDS. <ul style="list-style-type: none"><li>-cease mining</li><li>-cease removal of stockpiled material</li><li>-post transitional surety of \$33,250</li><li>-submit a technically adequate and complete LMO within 45 days</li><li>-arrange a meeting with Associate Director of Mining to discuss situation.</li></ul>

This was to be completed by June 14, 2001. Due to the inability of Mr. Finnegan to get funding, several extensions have been granted and at the current time the BLM is still unsure of the final deadline due to some recent compliance issues they are trying to sort out. When they agree on a final deadline for bonding and permitting. The Division's final deadline will coincide with this deadline. (This is based on

Chronology  
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personal communication with Larry Garahana, Fillmore BLM office).

May 10, 2001

The BLM sent a letter to Joe Dunlop called Surface Management Non-Compliance Order.

June 18, 2001

Acknowledgement of receipt of LMO notice by the BLM.

June 20, 2001

George Finnegan called and got LDS Church's Purchase Order and is working on getting the bond.

June 21, 2001

George Finnegan called and got promises from Australia and a Kelly Jones to Post Bond.

June 27, 2001

\$350.00 permit fee letter sent for large mining operation.

July 6, 2001

Revised timeframe for receipt of transitional surety faxed and sent to Mr. Finnegan.

July 10, 2001

George Finnegan called and stated that he had called Larry Garahana of the Fillmore BLM and they were extending his deadline until the 25<sup>th</sup> of July, based on the issuance of another letter outlining compliance under the 3715 Regulations.

July 10, 2001

Letter sent changing company representative from Joe Dunlop to George Finnegan. Transfer is not necessary. Also informed operator that due to pressing workloads, we have been unable to complete review of LMO. Anticipate completing review w/in next 30 days.

jb  
O: rds chronology.doc

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

GEORGE FINNEGAN  
RESOURCE DESIGN SOLUTIONS  
PO BOX 1178  
RIVERTON UT 84065

2. Article Number (Copy from service label)

7000 0520 0021 7582 9347

PS Form 3811, July 1999

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly)

GEORGE FINNEGAN

B. Date of Delivery

080401

C. Signature

X 

☒ Agent

☐ Addressee

D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below:

☒ No

3. Service Type

☒ Certified Mail

☐ Express Mail

☐ Registered

☐ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

Domestic Return Receipt

102595-99-M-1789

U.S. Postal Service

# CERTIFIED MAIL RECEIPT

*(Domestic Mail Only; No Insurance Coverage Provided)*

JB

DOGM

M/023/067

8/1/2001

Postage

\$

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Return Receipt Fee  
(Endorsement Required)

Restricted Delivery Fee  
(Endorsement Required)

Total Postage & Fees

\$

Postmark  
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**Recipient's Name (Please Print Clearly) (To be completed by maller)**

GEORGE FINNEGAN

RESOURCE DESIGN

**Street, Apt. No.; or PO Box No.**

PO BOX 1178

**City, State, ZIP+ 4**

RIVERTON UT 84065

7000 0520 0021 7582 9347